



OCTOBER 2004 NORTH REGION

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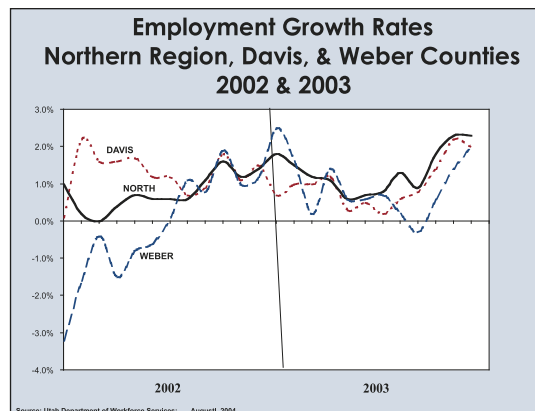
Northern Utah Economic Trends

Much happened to the six northern Utah counties over the last couple of years. In economic terms, the area has felt the effects of the national recession and, more recently, the loosening of its grasp. In the northern Utah region there is some economic uniqueness. A real "mix" of local "economies," functioning right next to each other.

Of the six counties, two can be labeled as "rural." These are Morgan and Rich. Two can be tagged as "nearly" metro – Box Elder and Cache. And two denoted positively as "metro" counties, namely Davis and Weber. No other multi-county region in the state has this kind of economic configuration.

Trends. Let's discuss what has happened and is likely to happen in northern Utah using a very important economic indicator. This is the year-over nonfarm employment growth rate(s). First of all, a few statements about northern Utah. Over 2002 and 2003, the area, as a whole, did not experience even one negative year-over monthly job growth rate. That is, in no month did the number of jobs decline from that month a year before. However, in the northern region, only one county – Davis – can make that claim. All the other counties, experienced at least one month of year-over employment decline. For the northern region, job growth rates hovered in the one to two-percent range through 2002 and 2003.

Box Elder County took a small hit in late 2002 and early 2003 as year-over job growth declined for about six months. Employment did, however, pick up and finish strong by the end of 2003. Cache County contributed to the positive regional growth with growth rates well above the state rates (which were negative at that time). Cache's year-over growth rates were in the one-percent to four-percent range. Only in the final quarter of 2002 did Cache experience



net year-over job losses.

Weber County felt the immediate effect of the national recession in late 2000 and 2001 as growth came to a halt and manufacturing lost ground. Jobs continued to fall throughout the first half of 2002. However, after July of 2002, the economy definitely picked up and, with the exception of a blip in September of 2003, has been "in the black" ever since. Things aren't back to pre-recession days, and probably won't ever be because of restructuring in the manufacturing sector, but the Weber economy is performing much better.

Davis County. What can we say about this county other than it probably was the reason that the northern region didn't show a single month of year-over job growth decline in 2003. Where, at the statewide level, two-thirds of the months in 2002 showed declines in job creation, Davis County just kept on tick'in. Much of this strength was due to Hill Air Force Base and a strong local job market.

Morgan and Rich counties are small and their economies are affected by different forces than the metro or "nearly" metro counties. Morgan's economy is still driven by the agrarian side of market, with some manufacturing. This mountain valley county has also attracted inter-

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News You Can Use

Businesses will benefit from new job seeker tool!

The Workforce and Education Development Alliance (WEDA) comprised of the Department of Workforce Services, Utah State Office of Education, Utah System of Higher Education and Utah State Office of Rehabilitation, has partnered to create careers.utah.gov.

This portal web site is a comprehensive school-to-retirement career exploration and planning solution. The information will assist students in selecting the most appropriate courses to prepare for work, technical training and/or college, thus ensuring a more educated and qualified workforce for Utah businesses. It will also assist post-secondary students who enter the workforce after graduation, as they need current, useful information on occupational choices that match employer needs. Laid-off workers can benefit as they may need similar labor market intelligence to provide them with information on possible retraining to prepare them to re-enter the labor market.

Although there are several valuable web-based resources that provide information to help guide all types of job seekers down successful career paths, this collaborative effort puts the most useful information into a single powerful toolbox of both information and job opportunities. [Careers.utah.gov](http://careers.utah.gov) will connect these existing online resources to help all Utah citizens in making informed career decisions about education, training and employment, no matter where they are in their employment life cycle. Check out the web site at: careers.utah.gov for more information!

Company Profile

Eagle Foundry Continues to Soar

Despite declining employment trends in Utah's manufacturing industry, some small firms, like Eagle Foundry of Orem Utah, have found their niche and continue strong in the manufacture of a unique product line.



Founded in 1985 by Charles Shepherd, the foundry found its niche in the manufacture of bronze grave markers and plaques. According to James Shepherd, employee and family member, "95% of our business is grave markers. Only about 5% is architectural and industrial casting." Adding to the success of the foundry is the relatively few numbers of competitors; both locally and nationwide. According to Mr. Shepherd, Eagle Foundry is the only manufacturer of its type in Utah. "Nationally, there is only one large manufacturer and several smaller companies like ours."

According to Mr. Shepherd, "Nearly all of the foundry's product is shipped outside the state and, at times, outside the country." Around the state and country, Eagle Foundry is responsible for a number of those plaques seen at state landmarks such as *This Is The Place Monument*. Among its more unique projects, the foundry created three 400-pound plaques to be placed on a sunken ship off the coast of Florida.

Eagle Foundry currently employs approximately 11 individuals; most of whom are family. More than 10 years ago, the company held a federal contract for the manufacture of grave markers for deceased servicemen and employed as many as 35. Since then, the business has moved away from contracts to the filling of individual orders, allowing for much more customized work. Within that niche, Eagle Foundry has remained strong and doesn't anticipate much of a change in business over the next few years.

Were dramatic changes to take place, Eagle Foundry is confident that they would be able to quickly adapt and meet the changing market, utilizing the recruitment services and economic information of the Utah Department of Workforce Services to keep their company soaring high.

Industry Sector Focus: Health Care Employment in Utah

The Health Care industry is an important economic driver in Utah. In 2003, this industry provided \$3.1 billion in Utah wages. At present, roughly one in 16 Utah workers are employed in health care occupations. The ratio is closer to one in 10 Utah workers, when all occupations in the health care industry are included.

The health care industry has both immediate and future occupational needs. There are worker shortages across the entire nation. Worker shortages are reflected in Utah's health care statistics as well. Utah has the third most severe Registered Nurse (RN) shortage in the nation, and the RN vacancy rate for nursing homes—24.3 percent in 2003—is the highest in the country, according to a Utah Hospitals and Health Systems Association report (2002).

Aging demographics suggest that health care job openings are not just a short-term phenomenon. The Utah Governor's Office of Planning and Budget estimates that between 2003 and 2025, Utah's population of 65 and older will grow by 110 percent, resulting in 433,000 people over the age of 65. Meanwhile, it is projected that between 2002-2012, Utah's health care industry will grow at a rate of 4.3 percent annually.

Compounding Utah's aging demographics and the resultant growth in health care occupational openings is the aging of the health care workforce itself. Many health care clinicians will retire at a time when the state's aging population requires

increased health care services. A Utah Hospitals and Health Systems Association report (2003) outlined the concern regarding the aging of Utah's clinical workforce with a significant percentage of staff over the age of 50.

Utah's health care workforce development is hindered from meeting demand due in part to the current inability to increase educational capacity in training programs. The Nursing Leadership Forum reports that of the approximately 250 nursing faculty members, 40 percent are over 50 years old and 16 percent plan to retire in the next five years. Utah is not producing health care faculty at a rate to replace the expected retirement levels, nor at a rate to expand health care training capacity. In addition, health care education programs are more expensive due to faculty credentials, equipment and facilities costs, and low student-to-faculty ratios in some occupations. Utah's advantage of a surplus supply of qualified applicants is offset by the lack of capacity in our training institutions to accommodate them.

It is possible that Utah's health care labor shortage will compromise the quality and accessibility of health care, the stability of the health care industry, and the economic vitality of the state. However, the expertise to address these concerns is strong. With leadership and collaboration, Utah will address the wide array of issues necessary to assure the future health care workforce, keep the health care sector a strong economic engine, and support Utah's quality lifestyle.

Utah Economic Data Viewer Makes "Cents" for You

The Utah Economic Data Viewer, or the UEDV, an easy-to-use online tool developed by economists, is accessible through jobs.utah.gov and provides you with information that can save money for your business.

One useful feature of the UEDV is the list of **Utah Occupational Wages**. With this tool you can identify the standard rate of pay in Utah for the various occupations. This valuable piece of information can save your business money as you reduce turnover. For example, let's say you're paying an entry-level receptionist \$6.50 an hour, but the average entry-level receptionist in the area is earning \$7.90 an hour. This person may leave your company for better pay despite time and money you invested in training the employee.

The available data can be useful as you plan your company's future. As you anticipate growth and make budget projections, this data can assist you when looking at the possibility of hiring new employees. It also can give you an idea of what type of training level/education you can expect from your entry-level employees and how much time and money you would have to invest in training.

The UEDV also provides other information that can save you money such as population estimates, labor projections, and industry-specific information. While some companies pay thousands of dollars to access comparable information, all you need is jobs.utah.gov. Please take the opportunity to see what the Utah Economic Data Viewer can do for you!

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est as a prime location for residential expansion because of its proximity to the services of the metro area while also offering the benefits of the "country" lifestyle. Rich County just keeps on plugging along with ranching/farming surrounding the communities of Randolph and Woodruff. The northern portion of Rich County is dominated, at least in the summer, by tourism and recreation in the Bear Lake Valley. The Rich County economy continues to grow, albeit slowly, in the northeast part of Utah.

Outlook for the Short Term. Slow to moderate employment growth across the six counties. Morgan and Rich may have higher growth rates but will add smaller numbers because of their relative size. Box Elder and Cache will continue their winning ways with healthy growth across their economies. For the metro counties, Weber will experience slow growth that will vary by industry sector. As much as we all would like a complete rebound of manufacturing, this may be an unreachable goal in the short run. Other industry sectors like trade, transportation, health care, and accommodations will add new positions to the Weber economy. Davis County, save the closure of Hill Air Force Base, will continue to prosper and serve as an economic anchor for the region with growth in nearly all sectors.

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